

## **TOXIC CATASTROPHE PREVENTION ACT (TCPA) PROGRAM**

### **ANNUAL TCPA FEE SCHEDULE REPORT FOR FISCAL YEAR (FY) 2022**

In accordance with N.J.A.C. 7:31-1.11A(c)6, the New Jersey Department of Environmental Protection has prepared this Annual TCPA Fee Schedule Report for FY 2022. The TCPA rule at N.J.A.C. 7:31-1.11A(b) requires the Department to assess an annual fee to each owner/operator of a TCPA regulated facility, which consists of three elements: a base (or facility) fee, a covered process-derived fee, and an inventory-derived fee. All three fee components are recalculated annually. Pursuant to the rule, the base fee represents 20% of the total amount billed and the process fee and the inventory fee each represent 40% of the total annual billing.

The base fee unit rate, the covered process-derived fee unit rate and the inventory-derived fee unit rate are adjusted using the data from the TCPA database as of October 1, 2021. The unit rates adopted for FY 2022 are:

Base fee	\$3,960.37
Process-derived fee	\$5,600.21/process
Inventory-derived fee	\$17.04/hazard unit (HU)

The inventory-derived fee is established in accordance with N.J.A.C. 7:31-1.11A(c)3. A hazard unit is defined in N.J.A.C. 7:31-1.5 as the measure of inventory of an extraordinarily hazardous substance (EHS) expressed as multiples of its threshold quantity. The threshold quantity for each EHS is set forth in N.J.A.C. 7:31-6.3. The inventory-derived fee is 40% of the total billed to the owner/operators of regulated sources.

The Department determines the base fee and the covered process-derived fee unit rates according to the steps set forth in N.J.A.C. 7:31-1.11A(c) 1 through 5. *Table 1* summarizes data and inputs used by the Department and details the calculations performed to obtain these annually adjusted fee elements. As shown at *A* of *Table 1*, the TCPA database as of October 1, 2021, includes the following census for determination of the base fee unit rate, the covered process-derived fee unit rate, and the inventory-derived fee unit rate.

<u>Census</u>	
Facilities (full fee equivalents)	90.50
Processes (all full fee registrants)	128
EHS inventory, total for all full fee registrants	42,077 hazard units

*Table 1* also presents the staff level and budget of the TCPA program for FY 2022 at *B* and *C*, respectively.

The example below illustrates the computation used by the Department to determine the total annual fee to an owner/operator with a registered facility that includes two covered processes in EHS service and 10 hazard units of EHS inventory using the FY 2022 adopted fees unit rates:

Base fee	\$3,960.37
Covered process-derived fee, (Two covered processes @ \$5,600.21 per process)	11,200.41
Inventory-derived fee, (Ten hazard units @ \$17.04 per HU)	<u>170.36</u>
<b>TOTAL</b>	<b>\$15,331.14</b>

The FY 2022 values of adopted annually adjusted fee unit rates differ from the values adopted by the Department for FY 2021. In the annual Fee Schedule Report for FY 2022, the Department adopted annually adjusted unit fee rates which compare with those adopted here as follows:

	<u>Base</u>	<u>Covered Process</u>	<u>Inventory</u>
Adopted FY 2021	\$3,781.80	\$5,374.92	\$15.87/HU
Adopted FY 2022	\$3,960.37	\$5,600.21	\$17.04/HU

The process-derived fee rate increased by \$225.29, the base unit fee rate increased by \$178.57, the inventory-derived fee rate increased by \$1.17. The increases in the annually adjusted base, process-derived and inventory-derived unit fees for FY 2022 are the result of an increase in the projected budget of \$1,792,066.34 for FY 2022 from \$1,706,535.58 in FY 2021 due to increases in the salaries and fringe benefits and slight changes in the numbers of facilities, processes, and hazard units.

The adopted budget of the TCPA program for FY 2022 is increased from that adopted for FY 2021, as shown in *Table 2*.

The Department will send each registrant a bill stating the fee for 2022. The registrant shall pay the fee by check or money order, payable to "Treasurer, State of New Jersey" prior to the end of the month following the issuance of the bills. For example, if bills are issued in January 2022, payment is due by February 28, 2022. The check or money order shall be submitted to:

New Jersey Department of the Treasury  
Division of Revenue  
P.O. Box 417  
Trenton, New Jersey 08625-0417

**Table 1 - Determination of Annually Adjusted TCPA Fee Elements for Fiscal Year (FY) 2022**

A. Registrant, Process and Inventory Data, October 1, 2020

1. Full fee equivalents based on Registrant census <sup>(1)</sup>	90.50
2. Process census	128
3. EHS inventory, hazard units	42,077

B. Staff (funded, full time equivalents (FTE)) of the TCPA program, FY 2022: 8.0

C. Spending Plan (Budget)

1. Salaries <sup>(2)</sup>	\$825,000
2. Fringe benefits <sup>(3)</sup>	503,663
3. Indirect expense <sup>(4)</sup>	264,403
4. <u>Operating expense (including cost of legal services)</u>	<u>199,000</u>
TOTAL	\$1,792,066

D. Budget Expenditure Variance <sup>(5)</sup> 0

E. Spending Plan (Budget) Less Budget Expenditure Variance (C. less D.) \$1,792,066

F. Inventory Derived Fee aggregate (40% of E.) \$716,827

G. Inventory Derived Fee unit rate, per hazard unit (F. /A.3) \$17.04

H. Process Derived Fee aggregate (40% of E.) \$716,827

I. Process derived fee unit rate, per process (H. /A.2.) \$5,600

J. Base fee aggregate (20% of E.) \$358,413

K. Base fee unit rate per owner/operator (J. /A.1.) \$3,960

**Table 1 Notes**

<sup>(1)</sup> Registrant census, October 1, 2021

	<u>Census</u>	<u>Full fee equivalent</u>
Full fee	90	90
Twenty five percent fee, EHS temporary discontinuance	2	<u>0.50</u>
Total, full fee equivalents		90.50

<sup>(2)</sup> Salaries of TCPA program staff listed at C

<sup>(3)</sup> Fringe benefits is 61.05% of salaries

<sup>(4)</sup> Indirect expense is 19.9% of salaries plus fringe benefits

<sup>(5)</sup> No longer applicable, TCPA program is on budget; fees go to reimburse the general treasury.

**Table 2 - TCPA Program Budget (\$1,000)**

	<u>Adopted FY 2021</u>	<u>Adopted FY 2022</u>	<u>Increase (Decrease)</u>
Salaries	805	825	20
Fringe benefits	429	504	75
Indirect expense	274	264	(10)
Operating costs <sup>(1)</sup>	199	199	0
Total	1,707	1,792	85
Budget expenditure variance <sup>(2)</sup>	0	0	0
Net Budget	1,707	1,792	85

**Table 2 Notes:**<sup>(1)</sup> Operating expense plus cost of legal services<sup>(2)</sup> No longer applicable, TCPA program is on budget; fees go to reimburse the general treasury.**Table 3 - Census of Registrants**

	<u>Actual FY 2021 October 2020</u>	<u>Actual FY 2022 October 2021</u>
Fee paying registrants	90.25	90.50
Full base fee	90	90
25% Full base fee <sup>(1)</sup>	1	2
Full base fee equivalent <sup>(2)</sup>	90.25	90.5
Hazard Units, Fee paying, (thousands)	43.0	42.0
Number of Processes Subject to Process-derived fee <sup>(3)</sup>	127	128

**Table 3 Notes:**<sup>(1)</sup> 25 percent full base fee + no process fee + no inventory fee [N.J.A.C. 7:31-1.11A(o)].<sup>(2)</sup> Full Base Fee Equivalent value equals number of full base fee registrants plus 0.25 times number of 25-percent-full-base-fee-registrants.<sup>(3)</sup> Processes at facilities temporarily discontinued are not subject to process fee.**Table 4 - Staff of the TCPA Program**

	<u>Actual Budgeted FY 2021</u>	<u>Actual Budgeted FY 2022</u>
Total FTE	7.5	8.0